

TAX AUTHORITY AUTHORIZED AND UNIMPOSED FY/06

LOCAL OPTION GROSS RECEIPTS TAX

The Municipal Gross Receipts Tax authority is 1.25 cents and the tax may be imposed in 1/4 or 1/8 cent increments by positive referendum or by the governing body subject to a negative referendum. The City uses 1/2 cent to fund general government, while another 1/4 cent is dedicated to Basic Services. A 1/4 cent transportation tax was passed by the voters on a mail in ballot on March 31, 1999. This tax is in effect for ten years beginning January 1, 2000. A 1/4 cent public safety tax was passed by the voters October 28, 2003 this was the last available local option gross receipts tax. No unused authority remains.

Revenue available

\$0

The City has imposed a 1/16 cent Municipal Infrastructure Gross Receipts Tax and has a second 1/16 cent in unused authority. The tax may be used for any lawful purpose and is not subject to referendum. The 1998 legislature allows this second 1/16 cent to be used for economic development, but is subject to positive referendum. Authority for an additional 1/8 cent (two 1/16 cent) Municipal Infrastructure Gross Receipts Tax was added in the 1998 Legislative session. This tax may be used for economic development, regional transit systems and infrastructure investments as designated by statute. Imposition of this tax is subject to positive referendum. A 3% administrative fee is currently assessed on municipal option gross receipts taxes above the first half-cent tax.

Revenue available

\$24,498,000

Albuquerque has authority for a 1/16 cent Environmental Gross Receipts Tax but has not exercised that authority. Purposes are limited to those defined by statute.

Revenue available

\$8,166,000

PROPERTY TAX

The City has authority to impose an Operational Levy of up to 7.65 mills. The FY/03 imposed average levy for residential and non-residential is 2.18 mills. The governing body may increase the imposed levy up to the statutory maximum, but the actual tax rates are set by the Local Government Division of the New Mexico Department of Finance and Management and are subject to statutory yield control provisions. A movement of one-mill of property tax from CIP to operating was approved in the FY/04 Budget and increases current imposed levy to 3.18 mills.

Revenue available

\$34,436,000

The Debt Service Levy is imposed to meet debt service on General Obligation bond issues approved by the voters. There is a constitutional limit that outstanding General Obligation debt may be no more than 4% of assessed valuation, except where the debt has been issued for water and sewer purposes. There is statutory authority to impose a Judgment Levy and put judgments over \$100,000 on the tax rolls. This levy was reduced from 8.976 to 7.976 in the FY/04 Budget, shifting 1 mill to operations.

GASOLINE TAX

The City may impose up to two cents in one-cent increments. Purposes are restricted by statute, and the tax must be approved by the voters.

Revenue available

\$4,700,000

FRANCHISE FEES

The City has statutory authority to negotiate franchise fees for use of City right-of-way by utilities. Current fees are 2% of specified revenues for gas, electric and 5% for Cable TV. The City has negotiated local exchange telecommunications franchises for 3% of specified revenues and a fiber optics "competitive franchise" at a rate of 5% of specified revenues.

LODGERS TAX

Within the City limits, hotels and other lodging facilities pay the statutory maximum of a 5% tax on room rentals. By State law, 50% of the proceeds must be spent on promotion; the other 50% is pledged for debt service.

HOSPITALITY FEE

In addition to the lodger's tax, a hospitality fee of 1% is collected by the City. By State law, 50% of the proceeds must be spent on promotion; the other 50% is pledged for debt service. The fee has a sunset date July 1, 2013.

TOTAL UNUSED TAX AUTHORITY AVAILABLE

\$71,800,000